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Title: Regarding problems of district cooperative banks and agriculture credit societies in Kerala in the wake of demonetization.

SHRI P.K. BIJU (ALATHUR): In Kerala, the cooperative banks, with different categories (state, district, primary etc) and hundreds of their branches (at least 1,500) have been the lifeline of people in rural areas for decades. But with demonetization, there is a literal freeze on their functioning because they are neither allowed to receive invalidated Rs. 500 and Rs. 1,000 currency notes from their customers nor receive fresh cash from the RBI in exchange of their own reserve to continue daily operations. The cooperative banking system that holds more than RS 60,000 crores in deposits and has disbursed more than Rs. 30,000 crore in loans has been paralysed because both the Reserve Bank of India (RBI) and the Ministry of Finance are suspicious of their dealings.

Unlike in the case of nationalized and private banks, it is not a question of long queues or hassles, but a total collapse. Weddings, funerals, education and even daily survival are affected. Reportedly, some banks are left with only a few thousand rupees in valid currency. Hence, any disruption in the sector would result in irreparable damage to the state's economy. To add salt to injury, Income Tax Department was showing an antagonistic approach towards the cooperatives in the state.

I urge the Centre to allow district cooperative banks and primary agriculture credit society to exchange demonetized currency notes.